

At Ease.

Senator Redditt moved that the Senate be at ease subject to the call of the Chair.

Motion prevailed.

The committee escorted the yell leaders representing the "Rooting Section" of Baylor Band to the platform. Lieutenant Governor Woodul, in the absence of Governor Allred, welcomed the visitors and presented Senator Poage. Senator Poage presented the yell leaders and Baylor Band.

The Baylor Band entertained the Senate for a few minutes.

At 11:24 o'clock the Chair called the Senate to order.

Recess.

On motion of Senator Moore, at 11:25 o'clock, the Senate recessed until 10 o'clock a. m. Monday.

APPENDIX.**Committee Report.**

Committee Room,
Austin, Texas, Oct. 17, 1936.
Hon. Walter F. Woodul, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

H. C. R. No. 17, Granting G. C. Kent of El Paso County permission to sue the State for property damage.

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

PACE, Chairman.

THIRTEENTH DAY.
(Continued.)

Senate Chamber,
Austin, Texas,
October 19, 1936.

The Senate met at 10 o'clock a. m., pursuant to recess, and was called to order by Lieutenant Governor Walter F. Woodul.

Senator Excused.

Senator Martin was excused on account of important business, on motion of Senator Hill.

House Bill No. 8.

Pending business was H. B. No. 8.

Amendment No. 14.

By Senator Burns:

Amend H. B. No. 8, by adding a new section to be known as Section —, to read as follows:

Sec. —. Amend Subsection 41.a of Article 7047, as amended, Acts 42nd Legislature, p. 355, Ch. 212, Sec. 1, so that Section 41.a of Article 7047, as amended, shall hereafter read as follows:

"41.a. Cement distributors.—(a) There is hereby imposed a tax of one and three-fourths ($1\frac{3}{4}\%$) cents on the one hundred (100) pounds, or fractional part thereof, of cement on every person in this State manufacturing or producing in and/or importing cement into this State, and who thereafter distributes, sells or uses the same in intrastate commerce. Said tax shall accrue on and is imposed on the first intrastate distribution, sale or use; provided, however, no tax shall be paid except on one sale, distribution or use. The person liable for said tax is hereby defined to be a "distributor."

(b) Such tax shall be due and payable at the Office of the Comptroller, at Austin, on the 25th day of each succeeding month based on the business done the preceding calendar month, and on or before said date such distributor shall also make and deliver to the Comptroller a report, sworn to, showing all cement distributed, used and sold, upon which a tax accrues as well as all produced within this State and imported into or exported out of this State, and such other information as the Comptroller may require.

(c) A complete record of the business done, together with any other information the Comptroller may require, shall be kept by each distributor; which said records shall be open to the Comptroller, Attorney General, Auditor, and their representatives. The Comptroller shall adopt rules and regulations for the enforcement hereof.

(d) No person shall act as distributor in this State who shall be delinquent in the payment of said taxes, and the Attorney General may enjoin his acting as such and may enforce the provisions hereof by suit

instituted in Travis County, or other county having venue.

(e) If any person shall violate any of the provisions hereof, he shall forfeit to the State of Texas as a penalty not less than Twenty-five Dollars (\$25.00), and not more than One Thousand Dollars (\$1,000.00) for each violation, and each day's violation shall constitute a separate offense. If any person shall fail to pay said tax promptly, he shall forfeit two per cent (2%) thereof as a penalty, and, after the first twenty (20) days, he shall forfeit an additional eight per cent (8%). Delinquent taxes shall draw interest at the rate of eight per cent (8%) from due date. The State shall have a prior lien for all delinquent taxes, penalties and interest on all of the property used by the distributor in his business of distributing, selling and/or using cement.

(f) One-fourth ($\frac{1}{4}$) of the taxes imposed herein, unless otherwise provided, shall be placed to the credit of the Available School Fund. No tax shall be imposed upon any interstate sale or transaction, nor upon any sale, distribution or use exempt under either the State or Federal Constitutions, and no other like occupation tax shall be imposed by any municipal corporation on cement.

(g) After one-fourth ($\frac{1}{4}$) of the taxes collected hereunder have been placed to the credit of the Available School Fund, all other revenues derived herefrom shall be placed to the credit of the Texas Old Age Assistance Fund.

Motion to Table.

Senator Holbrook moved to table the Burns amendment.

The motion to table failed by the following vote:

Yeas—12.

| | |
|-----------|-----------|
| Blackert. | Neal. |
| Collie. | Poage. |
| Davis. | Rawlings. |
| Holbrook. | Regan. |
| Hornsby. | Small. |
| Isbell. | Weinert. |

Nays—13.

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|----------|----------|
| Burns. | Nelson. |
| Cotten. | Oneal. |
| DeBerry. | Pace. |
| Hill. | Redditt. |

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|-------------|-------------|
| Sanderford. | Westerfeld. |
| Shivers. | Woodruff. |
| Van Zandt. | |

Absent—Excused.

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|---------|--------|
| Beck. | Stone. |
| Martin. | Sulak. |
| Moore. | |

The question recurred on Burns' amendment.

The amendment failed of adoption by the following vote:

Yeas—12.

| | |
|----------|-------------|
| Burns. | Redditt. |
| Cotten. | Sanderford. |
| DeBerry. | Shivers. |
| Hill. | Van Zandt. |
| Oneal. | Westerfeld. |
| Pace. | Woodruff. |

Nays—13.

| | |
|-----------|-----------|
| Blackert. | Nelson. |
| Collie. | Poage. |
| Davis. | Rawlings. |
| Holbrook. | Regan. |
| Hornsby. | Small. |
| Isbell. | Weinert. |
| Neal. | |

Absent—Excused.

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| Beck. | Stone. |
| Martin. | Sulak. |
| Moore. | |

Amendment No. 15.

By Senator Burns:

Amend H. B. No. 8, by adding a new section to be known as Section —, to read as follows:

(1) The term "Exchange" means any organization, association or group of persons, whether incorporated or unincorporated, which constitutes, maintains or provides a market place or facilities for bringing together purchasers and sellers of securities and commodities, or for otherwise performing with respect to securities and commodities the function commonly performed by a stock exchange or board of trade as those terms are generally understood, and includes the market place and the market facilities maintained by such exchange.

(2) The term "Facility," when used with respect to an exchange, includes its premises, tangible or intangible property whether on the premises or not. Any right to the

use of such premises or property, or any service thereof for the purpose of effecting or reporting a transaction on an exchange (including, among other things, any system of communication to or from the exchange, by ticket or otherwise, maintained by or with the consent of the exchange), and any right of the exchange to the use of any property or service.

(3) The term "Member," when used with respect to exchange, means any person who is permitted either to effect transaction on the exchange without the services of another person acting as broker or to make use of the facilities of an exchange for transactions thereon without payment of a commission or fee or with the payment of a commission or fee which is less than that charged the general public, and includes any firm transacting a business as broker or dealer of which a member is a partner, and any partner of such firm.

(4) The term "Broker" means any person engaged in the business of effecting transaction in securities and commodities for the account of others, but does not include a bank.

(5) The term "Dealer" means any person engaged in the business of buying and selling securities and commodities for his own account through a broker or otherwise, but does not include a bank, or any person in so far as he buys and sells securities and commodities for his own account, either individually or in some fiduciary capacity, but not as a part of his regular business.

(6) The term "Commodities" means cotton, grain, produce, metals and cotton seed oil.

(7) The term "Securities" means any note, stock treasury note, bond, debenture, certificate of interest or participation in any profit sharing agreement, or in any oil, gas or other mineral royalty lease, any collateral-trust certificate, pre-organization certificate or subscription, transferable sale, investment contract, vote-trust certificate, certificate of deposit for a security, or in general any instrument commonly known as a "security."

There is hereby levied and imposed upon each person, association or corporation doing business as a security or commodity broker as that term is herein defined an occupatio or excise tax based upon the gross

amount of commissions received by such person, association or corporation from the buying and selling of securities and commodities on any exchange either in this State or out of this State for the account of another at the rate of 3% of such gross amount of commissions received. Each person, association or corporation affected by the terms of this section shall make the reports and pay the tax herein levied in accordance with the provisions of Article 7058, Revised Civil Statutes of Texas, 1925, and all amendments thereto.

Read.

Pending.

Resolutions Signed.

The Chair, Lieutenant Governor Woodul, gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following resolutions:

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| H. C. R. No. 5. | H. C. R. No. 12. |
| H. C. R. No. 9. | H. C. R. No. 13. |
| H. C. R. No. 10. | H. C. R. No. 14. |
| H. C. R. No. 11. | |

Amendment No. 15-a.

By Senator Poage:

Amend Burns amendment by adding the following:

"Nothing herein shall apply to any cooperative agriculture marketing association."

Read.

Pending.

Amendment No. 15-b.

Senator Van Zandt offered the following substitute amendment for the Poage amendment:

"Provided the tax herein levied shall not apply to non profit associations."

Read and adopted.

The Poage amendment as amended was adopted by a viva voce vote.

Question recurred on the Burns amendment as amended.

The amendment as amended was adopted by the following vote:

Yeas—22.

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| Beck. | Davis. |
| Burns. | DeBerry. |
| Collie. | Hill. |
| Cotten. | Hornsby. |

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| Isbell. | Redditt. |
| Neal. | Sanderford. |
| Nelson. | Shivers. |
| Oneal. | Small. |
| Pace. | Van Zandt. |
| Poage. | Westerfeld. |
| Rawlings. | Woodruff. |

Nays—6.

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| Blackert. | Regan. |
| Holbrook. | Stone. |
| Moore. | Weinert. |

Absent—Excused.

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| Martin. | Sulak. |
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Motion to Call from Table.

Senator Woodruff called from the table Committee Amendment No. 5 amending Section 16-a paragraph 8, (See Senate Journal of October 15th.)

The motion prevailed.

Amendment No. 16.

By Senator DeBerry:

Amend Section E of Committee Amendment No. 5, by adding after the comma following the word else, in line 24, the following "when such machine or machines, dispensed or used or are capable of being used or operated for amusement or pleasure or,"

Read and adopted by a viva voce vote.

Amendment No. 17.

By Senator DeBerry.

Amend Section 8 of Committee Amendment No. 5, so as to hereafter read as follows:

"Nothing herein shall be construed or have the effect to license, permit, authorize or legalize any machine, device, table, or coin operated machine, the keeping, exhibition, operation, display or maintenance of which is now illegal or in violation of any Article of the Penal Code of this State or the Constitution of this State."

Amendment No. 18.

Senator Oneal sent up the following substitute amendment:

By Senator Oneal:

Amend Committee Amendment No. 5, H. B. No. 8, by striking out section 8 thereof and inserting in lieu of said section 8 as it now appears as follows:

"Nothing herein shall be construed as levying a tax on any kind of machine, the operation, display, or maintenance of which is now illegal under the Penal Code of this State or under the constitution of the State of Texas; nor shall the definitions and classifications of coin operating machines as contained in this act, be construed by any court as making legal any such machine that would otherwise under the Penal Code of the constitution of the State of Texas be illegal; and all such machines as are now illegal shall remain illegal notwithstanding any term or provision of this act."

Motion to Table.

Senator Shivers moved to table the substitute amendment.

The motion failed of adoption by the following vote:

Yeas—11.

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|-----------|-------------|
| Beck. | Regan. |
| Blackert. | Shivers. |
| Burns. | Van Zandt. |
| Cotten. | Weinert. |
| Moore. | Westerfeld. |
| Pace. | |

Nays—16.

| | |
|-----------|-------------|
| Collie. | Nelson. |
| Davis. | Oneal. |
| DeBerry. | Poage. |
| Hill. | Rawlings. |
| Holbrook. | Sanderford. |
| Hornsby. | Small. |
| Isbell. | Stone. |
| Neal. | Woodruff. |

Absent—Excused.

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| Martin. | Sulak. |
| Redditt. | |

The substitute amendment by Oneal was adopted by a viva voce vote.

The DeBerry amendment as substituted was adopted by a viva voce vote.

The question recurred on the adoption of Committee Amendment No. 5 as amended.

The Committee Amendment No. 5,

as amended, was adopted by a viva voce vote.

Motion to Call From Table.

Senator Woodruff called from the table Committee Amendment No. 5a amending the caption of H. B. No. 8. (See Senate Journal of October 15th.)

Committee Amendment No. 5a was adopted by a viva voce.

Amendment No. 19.

By Senator Woodruff:

Amend H. B. No. 8, section 18, by adding a new paragraph which shall read as follows:

Every person, association, company, or corporation required to pay additional taxes as levied herein shall be required to keep records and make and file reports for such additional taxes in the same manner as now provided under any and all existing laws relating to the keeping of records and filing reports by the various classes of taxpayers specified in this Act.

Read and adopted.

Amendment No. 20.

By Senator Woodruff:

Amend H. B. No. 8, section 2, by adding a new subsection which shall read as follows:

(g) Every person, association, company, or corporation who produces any of the natural resources named herein upon which a tax is required to be paid, shall keep open to the inspection of the Comptroller and the Attorney General of this State a complete record of all such products produced, sold or distributed.

Read and adopted by a viva voce vote.

Amendment No. 21.

By Senator Woodruff:

Amend H. B. N. 8, by adding a new section to be numbered 3A:

Sec. 3A. That Chapter 241, Acts of the Regular Session of the Forty-fourth Legislature, be amended by adding a new section to be known as Section 8A:

Sec. 8A. No individual shall offer for sale or solicit any order in this State for the sale of any cigarettes

for shipment to points within this State, for his own account or for the account of any person, firm, association or corporation, unless and until such person or individual shall have first filed an application for and obtained from the State Comptroller a solicitor's permit. Such permit shall authorize the permittee to solicit orders for the sale of cigarettes and shall set forth the name and address of the vendor whom the solicitor represents, and such solicitor shall not represent any vendor whose name does not appear upon such permit. The fee for such permit shall be One Dollar (\$1.00) per year or part thereof, and the permit shall be issued for the calendar year, except that such permit as is issued prior to January 1, 1937, shall be issued for the period expiring December 31, 1936, and the One Dollar (\$1.00) permit shall be charged and collected for such period. Such permittee shall, on the fifth (5th) day of each month, file with the Comptroller, on proper forms to be supplied him by said official, copies of all orders solicited by him in the State during the preceding calendar month for cigarettes, said copies to show the quantity and kind of cigarettes ordered, by whom ordered, from what person, firm or corporation ordered, the full name and correct address of purchaser, the date said cigarettes were ordered and any other information which may be required by the Comptroller; and the failure of such permittee to comply with the provisions hereof shall subject him to the forfeiture of his permit, after five (5) days notice and opportunity to be heard by the Comptroller of Public Accounts. No new permit shall be issued for a period of one (1) year to anyone whose permit has been forfeited, except in the discretion of the Comptroller.

If any person shall offer for sale or solicit any order in this State for the sale of cigarettes for shipment to a point within the State, without then and there having a valid solicitor's permit, he shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than Twenty-five Dollars (\$25) nor more than Two Hundred Dollars (\$200).

Whoever shall solicit and receive an order for the sale of cigarettes for shipment to a point within this

State and file a false copy of such order with the Comptroller or fail to file a copy of such order with said Comptroller, shall be subject to the penalty prescribed in Section 26 of the Cigarette Tax Act (Chapter 241, Acts of the Regular Session of the Forty-fourth Legislature).

If any person shall violate any provision of this section, he shall be subject to the civil penalty prescribed in Section 16 of the Cigarette Tax Act (Chapter 241, Acts of the Regular Session of the Forty-fourth Legislature).

Read and adopted by a viva voce vote.

Amendment No. 22.

By Senator Rawlings:

Amend H. B. No. 8, page 5, Section 3b, by striking out beginning in line 28 with the word "provided" down to the end of the paragraph ending in line 31, and substitute in lieu thereof the following:

"provided this act shall not apply to statewide mutual fire or casualty insurance companies and fraternal or labor organizations which limit their membership to one hazardous occupation."

Amendment No. 22-a.

Senator DeBerry sent up the following substitute to the Rawlings amendment:

By Senator DeBerry:

Amend H. B. No. 8, page 5, Section 3b, by striking out the entire paragraph and substituting in lieu thereof the following:

Sec. 3b. Every corporation, company or association, doing a life insurance business in the State of Texas, whether on the legal reserve, mutual assessment or level premium plan, or not, and not at present subject to the occupation tax imposed on foreign life insurance companies under Chapter 4, Title 78, Revised Civil Statutes of 1925, (known as the "Robertson Law"), shall report to the Commissioner of Insurance at the time of filing its annual report as required by law, the gross amount of premiums collected by it during the preceding year, and each such corporation, company or association, shall pay an annual tax upon such gross premium receipts received by it during the previous year at the rate of 1½% upon such gross

premium receipts, the same to be sworn to by two principal officers of such corporation, company or association, in such form as may be prescribed by the Insurance Commissioner. Upon receipt by him of such sworn statement, showing the gross premium receipts, the Commissioner shall certify to the State Treasurer the amount of taxes due by each such corporation, company or association, and the taxes shall be paid to the State Treasurer on or before the first day of March following, and the receipt of the Treasurer shall be evidence of the payment of such taxes. Any foreign insurance company doing business in this State, subject to the provisions of this Act, shall only be required to report gross receipts received from premiums paid by citizens of this State. Any domestic corporation, company or association subject to the provisions of this Act, doing business in any other State where it is subject to a tax on its gross premiums in such other state equal to the amount of tax herein imposed shall be entitled to deduct on a pro rata basis such premiums and taxes paid in other states so as to equalize and make itself equitably subject to the terms of this law upon such premiums and taxes. The tax herein imposed shall be in addition to any license fees now imposed upon any corporation, company or association subject to the provisions of this law. The provisions of this Act shall not apply to fraternal insurance organizations or societies that limit their membership to an occupation.

Read.

Pending.

Senator Rawlings received unanimous consent to withdraw his amendment and let the DeBerry amendment be the original amendment.

Message From the House.

The Chair recognized the Doorkeeper, who introduced a messenger from the House with the following message:

Hall of the House of Representatives,
Austin, Texas, Oct. 19, 1936.

Hon. Walter F. Woodul, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House

has passed the following bill and resolution:

H. B. No. 3, A bill to be entitled "An Act amending Section 2, Acts 1933, Regular Session of Forty-third Legislature, page 409, Chapter 162, House Bill 154, as amended by Acts of 1933, Forty-third Legislature, First Called Session, page 43, Chapter 12; increasing the tax on oil; allocating the revenue to the Public School Fund, and for the payment of Old Age Pensions; prescribing a savings clause, and declaring an emergency."

S. C. R. No. 7, Adopting as a policy of the State of Texas the policy of cooperating with the governments and agencies of other states of the United States in the Soil Conservation Act.

(With amendment.)

Respectfully submitted,

A. C. DUNN,

Acting Chief Clerk, House of Representatives.

House Bill No. 8.

Amendment No. 23.

Senator Small sent up the following substitute to the DeBerry amendment:

By Senator Small:

Strike out all sections of H. B. No. 8 that deal with insurance and add in lieu the following:

Section 1. That Article 7064, Revised Civil Statutes of 1925, be amended so as to hereafter read as follows:

"Article 7064. Insurance Companies. Every insurance corporation, Lloyds, or reciprocal, and any other organization or concern transacting the business of fire, marine, marine inland, accident, credit, title, live stock, fidelity, guaranty, surety, casualty, or any other kind or character of insurance business other than the business of life insurance, within this State and other than fraternal benefit associations, at the time of filing its annual statement, shall report to the Commissioner of Insurance the gross amount of premiums received in the State upon property, and from persons residing in this State during the preceding year, and each of such insurance carriers shall pay an annual tax upon such gross premium receipts as follows: Shall pay a tax of three and 25 hundredths per cent (3.25%) provided that any

such insurance carriers doing two or more kinds of insurance business herein referred to, shall pay the tax herein levied upon its gross premiums received from each of said kinds of business; and the gross premium receipts where referred to in this law are understood to be the premium receipts reported to the Commissioner of Insurance by the insurance carriers, less return premiums paid policyholders, and the premium paid for re-insurance in companies authorized to do business in this State. Upon receipt by him of sworn statements, showing the gross premium receipts by such insurance carriers, the Commissioner shall certify to the State Treasurer the amount of taxes due by each insurance carrier, which tax shall be paid to the State Treasurer on or before the first of March following, and the receipt of the Treasurer shall be evidence of the payment of such taxes. No such insurance carrier shall receive a permit to do business in this State until such taxes are paid. If any such insurance carrier shall have as much as one-fourth of its entire assets, as shown by said sworn statement, invested in any or all of the following securities: Real estate in the State, bonds of this State or of any county, incorporated city or town of this State, or other property in this State in which by law such insurance carriers may invest their funds, then the annual tax of any such insurance carriers shall be one and one-fourth per cent ($1\frac{1}{4}$) of its said gross premium receipts; and if any such insurance carrier shall invest as aforesaid as much as one-half of its assets, then the annual tax of such insurance carrier shall be five-eighths of one per cent ($\frac{5}{8}$ of 1%) of its gross premium receipts, as above defined. No occupation tax shall be levied on insurance carriers, herein subjected to a gross premium receipt tax, by any county, city, or town. All mutual fraternal benevolent association, now or hereafter doing business in this State under the lodge system and on the assessment plan, whether organized under the laws of this State or a foreign State or country, are exempt from the provisions of this article. The taxes aforesaid shall constitute all taxes and license fees collectible under the laws of this State against any such

insurance carriers and no other occupation or other taxes shall be levied on or collected from any insurance carrier by any county, city or town, but this law shall not be construed to prohibit the levy and collection of State, county, and municipal taxes upon the real and personal property of such carrier. Purely co-operative or mutual fire insurance companies carried on by the members thereof solely for the protection of their own property, and not for profit, shall be exempt from the provisions of this law, however, foreign assessment life and casualty companies admitted to do business in Texas under Chapter 5, Title 78, R. S. 1925, shall also pay taxes under and in accordance with the provisions of this Article. Article 4949 is repealed so far as it still relates to the payment of taxes. Sec. 7, Chapter 40, Acts 41st Legislature, 1929, as it relates premium taxes is hereby repealed.

Sec. 2. That a new article be added to Chapter 2, Title 22, Revised Civil Statutes, to be called Article 7064A, to read as follows:

Article 7064a. Every group of individuals, society, fraternal benefit society, association, or corporation domiciled in the State of Texas transacting the business of life, accident, or life and accident, health and accident insurance for profit, or for mutual benefit or protection, shall at the time of filing its annual statement, report to the Commissioner of Insurance the gross amount of premiums received from or upon the lives of persons residing or domiciled in this State during the preceding year and each of such group of individuals, society, fraternal benefit society, association, or corporation shall pay an annual tax, of one-fourth ($\frac{1}{4}\%$) per cent of such gross premium receipts. If any such group of individuals, society fraternal benefit society, association, or corporation does more than one kind of insurance business then it shall pay the tax herein levied upon the gross premium from each kind of insurance written. The report of the gross premiums receipts shall be made upon the sworn statement of two principal officers. Deductions from the gross premiums receipts shall be allowed any group of individuals, society, fraternal benefit society, association or corporation

for premiums paid for re-insurance in companies authorized to do business in Texas, and the acquisition costs of the first year's premiums. Upon receipt by him of the sworn statements above provided for, the Commissioner shall certify to the State Treasurer the amount of taxes due by each of such group of individuals, society, fraternal benefit society, association or corporation, which tax shall be paid to the State Treasurer on or before the first of March following and the receipt of the Treasurer shall be evidence of the payment of such taxes. No such group of individuals, fraternal benefit society, association, or corporation shall receive a permit to do business until such taxes are paid. The taxes aforesaid shall constitute all taxes and license fees collectible under the laws of this State against any such insurance organizations and no other occupation or other taxes shall be levied or collected by any county, city or town except State, county and municipal ad valorem taxes upon the real and personal property of such insurance organizations.

Sec. 3. That Article 4769 of the Revised Civil Statutes of 1925 be amended so as to hereafter read as follows:

"Article 4769. Report showing gross receipts. Each life insurance company not organized under the laws of this State, transacting business in this State, shall annually, on or before the first day of March, make a report to the Commissioner, which report shall be sworn to by either the president or vice president and secretary or treasurer of such company, which shall show the gross amount of premiums collected during the year ending on December 31, preceding, from citizens of this State upon policies of insurance. Each company shall pay annually an occupation tax equal to three and three-fourths ($3\frac{3}{4}\%$) of such gross premium receipts. When the report of the investment, in Texas securities, as defined by law, of any such companies as of December 31, of any year, shall show that it has invested on said date as much as thirty per cent of its total Texas reserves as defined by law, in promissory notes or other obligations secured by mortgage, deed of trust, or other lien on and/or in loans to resi-

dents or citizens of Texas secured by the legal reserve on the respective policies held by such borrowers, the rate of occupation tax shall be reduced to three and one-fourth per cent (3-1/4%); and when such report shall show that such company has so invested on said date as much as sixty per cent of its total Texas reserve, the rate of such occupation tax shall be reduced to two and nine-tenths per cent (2.9%); and when such report shall show that such company has so invested, on said date, as much as seventy-five per cent of its total Texas reserve, the rate of such occupation tax shall be reduced to two and five-tenths (2.5%) per cent. All such companies shall, in any event, make the investments in Texas securities in proportion to the amount of Texas reserves as required by law. Such occupation taxes shall be for and on account of the business transacted within this State during the calendar year in which such premiums were collected, or for that portion thereof during which the company shall have transacted business in this State. This Act shall not in any manner affect the obligation for the payment of any taxes that have accrued and that are now due or owing, but the obligation as now provided by law for the payment of such taxes shall continue in full force and effect."

Sec. 4. Amend Article 4858, Revised Civil Statutes, 1925, so that it shall hereafter read as follows:

"Article 4858: Taxations—Except as to premium on gross receipt taxes levied by this Article or other provisions of laws of this State, fraternal benefit societies organized or licensed under this chapter are hereby declared to be exempt from all and every State, county, municipal and school district taxes other than taxes on real estate and office equipment when same is used for other than lodge purposes, inasmuch as such societies are charitable and benevolent institutions.

Each fraternal benefit society not organized under the laws of this State but transacting business in this State shall, when it makes its annual report to the Commissioner, make a report, which shall be sworn to by two executive officers of the society, showing the total amount of

premiums or contributions made to the society for or on account of its policies or beneficial certificates, providing for death or other disability benefits, during the year ending December 31st, preceding, for or on the lives of citizens of this State. Each such society or association shall pay annually at the time of making such report, an occupation tax equal to three and three-quarter (3.75%) per cent of such total contributions. At the time of making the report, as above required, each society or association shall also file a report showing the amount of the reserve accumulated and on hand with respect to its beneficial certificates on the lives of citizens or residents of this State. Each society or association shall also show in such report the amount it has invested in Texas securities as that term is defined in Chapter 4, Title 78, Revised Civil Statutes, 1925, and amendments thereto. When such report shall show that on December 31st, preceding such society or association had invested as much as thirty (30%) per cent of the reserves above mentioned in promissory notes or other obligations secured by mortgage, deed of trust or other lien on Texas real estate and/or in loans to Texas citizens or residents secured solely by the legal reserve on the respective policies or certificates held by such borrowers, the rate of such tax shall be reduced to three and one-quarter (3.25%) per cent and when such report shall show that as much as sixty (60%) per cent of such reserve has been so invested the rate of such tax shall be reduced to two and nine-tenths (2.9%) per cent, and when such report shall show that as much as seventy-five (75%) per cent of such reserve has been so invested the rate of such tax shall be reduced to two and one-half (2.5%) per cent. No such society or association shall receive a license or permit to do business for the year in which such tax is due until same has been paid.

Read.

Pending.

Motion to Recess.

On motion of Senator Woodruff, the Senate recessed until 2:00 o'clock p. m.

After Recess.

The Chair, Senator Hill presiding, called the Senate to order.

House Bill No. 8.

Pending business was the Small substitute for the DeBerry amendment.

Amendment No. 24.

Senator DeBerry offered the following amendment:

By Senator DeBerry:

Amend Small substitute for the DeBerry amendment to H. B. No. 8 by striking out on page 4 line A, the following: one fourth ($\frac{1}{4}\%$) per cent and substitute in lieu thereof the words and figures one and one-half per cent ($1\frac{1}{2}\%$)

Amendment No. 24-a.

Senator Van Zandt sent up the following:

By Senator Van Zandt:

Amend the DeBerry amendment to the Small substitute by striking out the words and figures "one" and one-half and substitute in lieu thereof the words and figures "one-half."

Motion to Table.

Senator DeBerry moved to table the Van Zandt amendment.

The motion prevailed by the following vote:

Yeas—15.

| | |
|-----------|-------------|
| Beck. | Poage. |
| Blackert. | Rawlings. |
| Burns. | Regan. |
| Cotten. | Shivers. |
| DeBerry. | Sulak. |
| Hill. | Westerfeld. |
| Oneal. | Woodruff. |
| Pace. | |

Nays—14.

| | |
|-----------|-------------|
| Collie. | Nelson. |
| Davis. | Redditt. |
| Holbrook. | Sanderford. |
| Hornsby. | Small. |
| Isbell. | Stone. |
| Moore. | Van Zandt. |
| Neal. | Weinert. |

Absent—Excused.

Martin.

Amendment No. 24-b.

Senator Oneal sent up the following substitute to the DeBerry Amendment to Small substitute to DeBerry amendment:

By Senator Oneal:

Amend H. B. No. 8, by striking out of line four on page 4 the following: "one-fourth ($\frac{1}{4}\%$)" and inserting in lieu thereof the following: "three-fourths ($\frac{3}{4}\%$)"

The amendment was adopted by the following vote:

Yeas—25.

| | |
|-----------|-------------|
| Beck. | Rawlings. |
| Collie. | Redditt. |
| Cotten. | Regan. |
| Davis. | Sanderford. |
| Hill. | Shivers. |
| Holbrook. | Small. |
| Hornsby. | Stone. |
| Isbell. | Sulak. |
| Moore. | Van Zandt. |
| Nelson. | Weinert. |
| Oneal. | Westerfeld. |
| Pace. | Woodruff. |
| Poage. | |

Nays—3.

| | |
|-----------|----------|
| Blackert. | DeBerry. |
| Burns. | |

Absent—Excused.

| | |
|---------|-------|
| Martin. | Neal. |
|---------|-------|

The amendment to the Small substitute as substituted was adopted by the following vote:

Yeas—22.

| | |
|-----------|-------------|
| Beck. | Pace. |
| Blackert. | Poage. |
| Burns. | Rawlings. |
| Cotten. | Regan. |
| DeBerry. | Sanderford. |
| Hill. | Stone. |
| Hornsby. | Sulak. |
| Isbell. | Van Zandt. |
| Neal. | Weinert. |
| Nelson. | Westerfeld. |
| Oneal. | Woodruff. |

Nays—6.

| | |
|-----------|----------|
| Collie. | Moore. |
| Davis. | Redditt. |
| Holbrook. | Small. |

Absent—Excused.

Martin.

Shivers.

Amendment No. 25.

By Senator Hornsby:

Amend the Small Amendment on page 3, line 9, by adding thereto after the word law, the following:

"And such companies shall not be required to procure a permit from the State Insurance Commission."

Read and adopted.

Amendment No. 26.

By Senator Davis:

Amend the Small substitute by striking out the following words in the fourth and fifth lines of section 2 thereof: "group of individuals, society, fraternal benefit society, association, or," and by striking out the words "or for mutual benefit or protection" at lines 7 and 8 of said section 2, and by striking out all the words "group of individuals, society, fraternal benefit society, association, or," wherever the same appears thereafter in said Section No. 2.

Motion to Table.

Senator Small moved to table the amendment.

The motion prevailed by a viva voce vote.

Amendment No. 27.

By Senator Van Zandt:

Amend the Small substitute section 2 by adding at the end of line 19 after the words "from each kind of insurance written," the following, "th provisions of this act shall not apply to fraternal insurance organizations or societies that limit their membership to an occupation."

Read and adopted.

Amendment No. 28.

By Senator Sulak:

Amend the Small substitute by adding to the Van Zandt amendment at the end of line 19 of section 2, the following, and shall not apply to fraternal benefit societies which are operating without a profit to its membership and do not pay its of-

ficers or employees more than \$3600 annually.

The amendment failed of adoption by the following vote:

Yeas—11.

Cotten.

Stone.

Hill.

Sulak.

Holbrook.

Van Zandt.

Moore.

Weinert.

Redditt.

Westerfeld.

Sanderford.

Nays—15.

Beck.

Neal.

Blackert.

Nelson.

Burns.

Oneal.

Collie.

Poage.

Davis.

Regan.

DeBerry.

Small.

Hornsby.

Woodruff.

Isbell.

Absent—Excused.

Martin.

Rawlings.

Pace.

Shivers.

Amendment No. 29.

By Senator Hill:

Amend Small substitute for DeBerry amendment by striking out of Section 2, lines 4 and 5, the words: "fraternal benefit society," and in lines 7 and 8, beginning with the comma after the word "profit" and striking out the words: "or for mutual benefit or protection."

Second reading was called for.

Motion to Table.

Senator Small moved to table the amendment.

The motion prevailed by the following vote:

Yeas—17.

Blackert.

Poage.

Collie.

Rawlings.

DeBerry.

Redditt.

Hornsby.

Regan.

Moore.

Small.

Neal.

Van Zandt.

Nelson.

Weinert.

Oneal.

Woodruff.

Pace.

Nays—10.

| | |
|---------|-------------|
| Beck. | Holbrook. |
| Burns. | Isbell. |
| Cotten. | Stone. |
| Davis. | Sulak. |
| Hill. | Westerfeld. |

Absent—Excused.

| | |
|-------------|----------|
| Martin. | Shivers. |
| Sanderford. | |

Question: Shall the Small substitute as amended to the DeBerry amendment be adopted?

The substitute as amended was adopted by the following vote:

Yeas—27.

| | |
|-----------|-------------|
| Beck. | Oneal. |
| Blackert. | Pace. |
| Burns. | Poage. |
| Collie. | Rawlings. |
| Cotten. | Redditt. |
| Davis. | Regan. |
| DeBerry. | Sanderford. |
| Hill. | Small. |
| Holbrook. | Stone. |
| Hornsby. | Van Zandt. |
| Isbell. | Weinert. |
| Moore. | Westerfeld. |
| Neal. | Woodruff. |
| Nelson. | |

Nays—1.

Sulak.

Absent—Excused.

| | |
|---------|----------|
| Martin. | Shivers. |
|---------|----------|

The amendment to the bill as substituted was adopted by a viva voce vote.

Amendment No. 30.

By Senator Rawlings:

Amend H. B. No. 8, by striking out all of Section 11 and inserting in lieu thereof the following:

"Sec. 11. That Sub-section 5, of Section 1, Chapter 10, Acts of the First Called Session of the Forty-third Legislature, be and the same is hereby so amended and re-enacted as to hereafter read as follows:

"Sub-section 5. Any person or persons, association or incorporation desiring to conduct racing of horses in Texas and to use in connection therewith the said certificate system,

as in this Act authorized, shall make application in writing to the Racing Commission for license so to do. On the filing of such application, the Commission shall promptly cause to be published in a newspaper of general circulation in the county where the license to conduct racing is sought, and if there be no such newspaper in such county, then in a newspaper of general circulation in the nearest county, a brief notice of the contents of the application. If the newspaper used shall be a daily paper, then, there shall be three (3) insertions of such notice four (4) days apart. If the newspaper used be a weekly paper, then, in two successive issues thereof. The expense of such publication shall be paid by the applicant, and the Commission shall have the right to require from the applicant a deposit with it of the estimated amount prior to the making of such publications.

"On the completion of such publication, and if there shall be opposition to the granting of such application, the Commission shall set a hearing on the application and give written notice to all interested parties of the time and place of the hearing allowing reasonable time and opportunity for interested parties to be so heard.

"The application shall be acted on by the Commission within not exceeding twenty (20) days from the completion of the giving of such notice unless for good cause the Commission shall postpone action thereof. The application shall be finally acted on by the Commission within not exceeding sixty (60) days from the date of the filing of the application.

"The application shall state the days on which such racing is desired to be conducted; it shall describe the place and race track or course at which the races are to be conducted; it shall be in such form and supply such facts as the Commission shall prescribe, and such application shall be verified. If the applicant is eligible to receive a license under the provisions of this law, it shall be the duty of the Racing Commission to fix the racing days as it determines shall be allotted to such applicant, and the Commission shall issue a license for the holding of the meeting or meetings so sought to be held. The license issued shall describe the place and track or race course at which

the licensee is authorized to hold such meeting or meetings, and the authority conferred in any one license shall be limited to a twelve (12) months period from the date of the license; provided, however, the Commission may in its discretion for good cause, to be shown in writing by the applicant, issue such license for a three (3) year period from the date thereof. The rights granted by the license shall not be assignable, except on application to the Commission for authority so to do, and the permission of the Commission obtained.

"The licensee shall pay to the Commission in advance, as a condition of granting of the license, a license fee for each race meeting authorized to be held, the amounts respectively thus stated, to-wit:

"If a race meet is to be conducted in a city or town of a population not exceeding three thousand (3,000) inhabitants, or within fifteen (15) miles thereof, such license fee shall be One Hundred Dollars (\$100); if in a city of more than three thousand (3,000) and not exceeding ten thousand (10,000) inhabitants, or within fifteen (15) miles thereof, such license fee shall be the sum of Two Hundred Dollars (\$200); if in a city of more than ten thousand (10,000) and not exceeding twenty thousand (20,000) inhabitants, or within fifteen (15) miles thereof, such license fee shall be the sum of Five Hundred Dollars (\$500); if in a city of more than twenty thousand (20,000) and not exceeding fifty thousand (50,000) inhabitants, or within fifteen (15) miles thereof, such license fee shall be the sum of One Thousand Dollars (\$1,000); if in a city of more than fifty thousand (50,000) and not exceeding one hundred thousand (100,000) inhabitants, or within fifteen (15) miles thereof, such license fee shall be the sum of Fifteen Hundred Dollars (\$1500); and if in a city of more than one hundred thousand (100,000) inhabitants, or within twenty-five (25) miles thereof, such license fee shall be the sum of Two Thousand Dollars (\$2,000); such population to be determined by the last preceding census of the United States.

"The license fees so received by the Racing Commission shall be promptly remitted to the Treasurer

of the State of Texas through the State Comptroller of Public Accounts, and shall become and be a part of the Special Racing Fund hereinafter mentioned.

"Cancellation, for any cause authorized under this Act, shall not entitle the licensee to a refund of the fee or any part thereof paid for such license.

"The Commission may within its discretion limit the issuance of licenses to one per county in any one calendar year.

"The license issued shall expressly provide that the licensee shall, in addition to the license fees paid, remit to the Treasurer of the State of Texas, through the State Comptroller, at the end of each racing meet, or sooner if directed by the Racing Commission, such amounts as are hereinafter provided, received as commission or compensation by the licensee, as authorized by this Act. This fund, when received by the Treasurer, shall be held by him and credited as a Special Racing Fund.

"The expenses incurred and authorized by virtue of this Act shall be payable out of the Special Racing Fund, not otherwise, and so much thereof as may be necessary is hereby appropriated and all amounts shall be paid upon accounts approved by the chairman of the Racing Commission and warrants drawn against said fund by the Comptroller on the State Treasury.

"The Treasurer of the State of Texas, in December of each year, shall make a complete statement of the amount he has received within the calendar year under the provisions of this Act. After there shall have been charged against this fund the theretofore paid out operating expenses of the Racing Commission in that year as herein authorized, and the additional amount which the Racing Commission shall estimate as being required to be paid out in that year, and, in addition thereto, such amount as the said Racing Commission shall estimate as the expenses for the operating of the Commission for the next succeeding calendar year, the amount then remaining in this fund shall be held for and disbursed, thus, viz.:

"After providing for the operating expenses of the Racing Commission as aforesaid, an amount equal to twenty-five (25) per cent of the

funds remaining in the Special Racing Fund shall by the Treasurer of the State of Texas be paid into and credited to the State Available School Fund of Texas as provided by the Constitution of the State of Texas. An amount equal to twenty (20) per cent of the funds then remaining in the Special Racing Fund shall be used by the Board of Control of the State of Texas to purchase, transport, and deliver for distribution well-bred and approved stallions and jacks throughout the State of Texas and, in connection therewith, defray the actual reasonable expense incident to the purchase, transportation and maintenance of such animals, in order thereby to promote the breeding of better live stock in the State of Texas. After deducting from said Special Racing Fund the operating expenses of the Racing Commission as aforesaid, and after deducting from said Special Racing Fund the said twenty-five (25) per cent going to the State Available School Fund and after deducting the said twenty (20) per cent to be used by the Board of Control of the State of Texas as aforesaid, the balance remaining in said Special Racing Fund, so far as it may be required, shall be used for the payment of the appropriations by the Legislature for the support and maintenance of the State Department of Agriculture as said appropriations for the Department shall be fixed and allowed by the Legislature of the State of Texas from time to time. It is further provided that any excess left in the Special Racing Fund shall be by the State Treasurer transferred to and become a part of the "Texas Old Age Assistance Fund."

Sub-section 5a. The licensee shall keep an accurate record of all receipts and disbursements during any racing meet authorized by the Texas Racing Commission to be conducted by said licensee, which books and records shall at all reasonable times be open to inspection of the Comptroller of Public Accounts of the State of Texas, and to the Texas Racing Commission or its duly qualified agents; and at the close of each racing meet held by such licensee, or sooner if directed by the Racing Commission, he shall remit to the Treasurer of the State of Texas through the Texas Racing Commission as follows: Where the pari-

mutuel turnover is not more than One Hundred Thousand Dollars (\$100,000), one-fourth of the ten (10) per cent deducted by such licensee from the contributions of purchasers of certificates on horses to run first, second, and/or third in any given race; and where the pari-mutuel turnover is more than One Hundred Thousand Dollars (\$100,000) for any such meet, thirty (30) per cent of the ten (10) per cent deducted by such licensee from the contributions of purchasers of certificates on horses to run first, second, and/or third in any given race. In addition to the above tax, there is also levied a tax of one (1) per cent upon the gross amount received from the sale of pari-mutuel tickets which sum shall be deducted by the licensee and remitted to the State Treasurer in the same manner as are remitted the other taxes herein provided for. All of said gross receipts tax shall be transferred to the Old Age Assistance Fund. Said one (1) per cent gross receipts tax shall be in addition to the ten (10) per cent 'take' deducted by the licensee. The licensee is hereby constituted trustee for the State of Texas to collect and remit the sums provided herein, and such sums shall constitute and be a trust fund belonging to the State of Texas. Failure of any person to collect and remit any sums prescribed herein in accordance herewith shall constitute the offense of embezzlement, and upon conviction thereof, such person shall be punishable therefor as the law prescribes.

"Sub-section 5b. This section shall become effective January 1, 1937.

"Sub-section 5c. All laws or parts of laws in conflict herewith are expressly repealed."

Read.

Pending.

Message from the House.

The Chair recognized the Doorkeeper, who introduced a messenger from the House, with the following message:

Hall of the House of Representatives,
Austin, Texas, Oct. 19, 1936.
Hon. Walter F. Woodul, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolution:

H. C. R. No. 22, Requesting the return of H. B. No. 3 from the Senate for correction.

Respectfully submitted,

A. C. DUNN,

Acting Chief Clerk, House of Representatives.

Privileged Motion.

Senator Oneal moved that the regular order be suspended and asked unanimous consent to take up H. C. R. No. 22 at this time.

Objections were made.

Senator Oneal then moved that the rule requiring resolutions to be referred to a committee be suspended.

The motion prevailed by the following vote.

Yeas—28.

| | |
|-----------|-------------|
| Beck. | Oneal. |
| Blackert. | Pace. |
| Burns. | Poage. |
| Collie. | Rawlings. |
| Cotten. | Redditt. |
| Davis. | Regan. |
| DeBerry. | Sanderford. |
| Hill. | Shivers. |
| Holbrook. | Small. |
| Hornsby. | Stone. |
| Isbell. | Sulak. |
| Moore. | Van Zandt. |
| Neal. | Weinert. |
| Nelson. | Woodruff. |

Nays—1.

Westerfeld.

Absent—Excused.

Martin.

H. C. R. No. 22.

The Chair laid before the Senate the following resolution:

By Mr. Hankamer:

H. C. R. No. 22, Requesting the return of H. B. No. 3 from the Senate for correction.

H. C. R. No. 22 was read and adopted by a viva voce vote.

House Bill No. 8.

Amendment No. 31.

By Senator Westerfeld:

Amend H. B. No. 8, by adding a new section to section 11, as follows:

11a. "All provisions of section No. 11 shall apply to Dog Race Tracks, but shall in no way affect the statutes or decisions rendered or to be rendered" and any taxes paid under this provision shall not be refunded in event Dog Races are declared to be illegal."

Motion to Table.

Senator Rawlings moved that the Westerfeld amendment be tabled:

The motion prevailed by the following vote:

Yeas—17.

| | |
|-----------|-------------|
| Blackert. | Rawlings. |
| Burns. | Redditt. |
| Cotten. | Regan. |
| Davis. | Sanderford. |
| Holbrook. | Shivers. |
| Hornsby. | Small. |
| Isbell. | Stone. |
| Neal. | Weinert. |
| Pace. | |

Nays—11.

| | |
|----------|-------------|
| Beck. | Oneal. |
| Collie. | Poage. |
| DeBerry. | Sulak. |
| Hill. | Westerfeld. |
| Moore. | Woodruff. |
| Nelson. | |

Absent—Excused.

Martin. Van Zandt.

Amendment No. 31-a.

By Senator Nelson:

Amend Rawlings amendment by striking out the words and figures: "One (1)" on page 5 of Rawlings amendment and substituting therefor the words and figures as follows: "One and one-half (1½)"

Motion to Table.

Senator Rawlings moved to table amendment.

The motion prevailed by the following vote:

Yeas—14.

| | |
|-----------|-----------|
| Blackert. | Rawlings. |
| Collie. | Redditt. |
| Davis. | Regan. |
| Isbell. | Shivers. |
| Moore. | Small. |
| Neal. | Stone. |
| Pace. | Weinert. |

Nays—14.

| | |
|-----------|-------------|
| Beck. | Nelson. |
| Burns. | Oneal. |
| Cotten. | Poage. |
| DeBerry. | Sanderford. |
| Hill. | Sulak. |
| Holbrook. | Westerfeld. |
| Hornsby. | Woodruff. |

Absent—Excused.

Martin. Van Zandt.

The Chair voted "Yea."

Motion to Print.

Senator Hill moved that the Rawlings amendment be laid on the table until it could be printed in the Journal and taken up at 11 o'clock a. m. tomorrow.

The motion failed of adoption by the following vote:

Yeas—8.

| | |
|-----------|-------------|
| Blackert. | Sanderford. |
| DeBerry. | Sulak. |
| Hill. | Westerfeld. |
| Poage. | Woodruff. |

Nays—20.

| | |
|-----------|-----------|
| Beck. | Nelson. |
| Burns. | Oneal. |
| Collie. | Pace. |
| Cotten. | Rawlings. |
| Davis. | Redditt. |
| Holbrook. | Regan. |
| Hornsby. | Shivers. |
| Isbell. | Small. |
| Moore. | Stone. |
| Neal. | Weinert. |

Absent—Excused.

Martin. Van Zandt.

Question recurred on the Rawlings amendment.

The amendment was adopted by the following vote:

Yeas—19.

| | |
|-----------|-------------|
| Beck. | Pace. |
| Blackert. | Rawlings. |
| Burns. | Redditt. |
| Collie. | Regan. |
| Cotten. | Sanderford. |
| Davis. | Shivers. |
| Holbrook. | Small. |
| Isbell. | Stone. |
| Moore. | Weinert. |
| Neal. | |

Nays—9.

| | |
|----------|-------------|
| DeBerry. | Poage. |
| Hill. | Sulak. |
| Hornsby. | Westerfeld. |
| Nelson. | Woodruff. |
| Oneal. | |

Absent—Excused.

Martin. Van Zandt.

Amendment No. 32.

By Senator Hill:

Amend H. B. No. 8, by adding a new section thereto on page 14, to be numbered 22a, as follows:

"Sec. 22a. All information derived or obtained by the Attorney General or the Comptroller from any inspection of the books and records as is authorized in this Act, or by any act levying an occupation tax of any kind on any person, firm, syndicate, co-partnership, corporation, receiver, or joint stock association, and all information secured, derived or obtained by the Attorney General or the Comptroller from any record, report, instrument, or copy thereof, required to be furnished under the terms of such Acts, shall be and shall remain confidential; and no record, report, or information secured, derived, or obtained by the Attorney General or the Comptroller under the terms of this and/or these Acts shall be open to public inspection, and all such information, records, reports, instruments and copies thereof shall be used by the Attorney General and the Comptroller solely for the purpose of enforcing the provisions of such Act or Acts.

"Any employee of the Attorney General or of the Comptroller who (a) gives to any person, firm or corporation, any information secured, derived or obtained from the inspection or examination of such books or records authorized, or from the records, reports, instruments and/or copies thereof, required to be furnished, or (b) permits the inspection by any person, firm or corporation, of any of the reports, records, instruments, or copies thereof required to be furnished, or (c) gives a copy or copies of any such records, reports, instruments, or copy thereof required to be furnished to any person, firm or corporation, or (d) gives any information to any person,

firm or corporation, concerning the records of all or any parts of the reports, records, instruments, or copies thereof required to be furnished under the provisions of this Act, shall be guilty of a misdemeanor and shall be punished by confinement in the County Jail for not more than six (6) months or by a fine of not less than One Hundred Dollars (\$100) nor more than Five Hundred Dollars (\$500), or by both such fine and imprisonment; provided, however, that it shall not be an offense under the terms of this Act for any employee of the Attorney General or of the Comptroller to furnish any such information as is hereinabove described to any other employee of the Attorney General or of the Comptroller where such information is furnished or given for use in the enforcement of this Act or Acts.

"All laws in conflict herewith are hereby expressly repealed."

Senator Hill received unanimous consent that the following be added to the above amendment:

"Provided, however, that the above records and reports shall be available to any legislative, House or Senate investigating Committee."

The amendment was adopted by the following vote:

Yeas—19.

| | |
|-----------|-------------|
| Beck. | Pace. |
| Burns. | Poage. |
| Davis. | Rawlings. |
| Hill. | Regan. |
| Holbrook. | Small. |
| Isbell. | Stone. |
| Moore. | Weinert. |
| Neal. | Westerfeld. |
| Nelson. | Woodruff. |
| Oneal. | |

Nays—7.

| | |
|----------|-------------|
| Collie. | Sanderford. |
| Cotten. | Shivers. |
| Hornsby. | Sulak. |
| Redditt. | |

Present—Not Voting.

| | |
|-----------|----------|
| Blackert. | DeBerry. |
|-----------|----------|

Absent—Excused.

| | |
|---------|------------|
| Martin. | Van Zandt. |
|---------|------------|

Message from the House.

The Chair recognized the Door-keeper, who introduced a messenger

from the House, with the following message:

Hall of the House of Representatives,
Austin, Texas, Oct. 19, 1936.

Hon. Walter F. Woodul, President, of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bill:

H. B. No. 3, A bill to be entitled "An Act amending Section 2, Acts 1933, Regular Session of Forty-third Legislature, page 409, Chapter 162, House Bill 154, as amended by Acts of 1933, Forty-third Legislature, First Called Session, page 43, Chapter 12; increasing the tax on oil; allocating the revenue to the Public School Fund, and for the payment of Old Age Pensions; prescribing a savings clause, and declaring an emergency."

(With engrossed rider.)

Respectfully submitted,

A. C. DUNN,

Acting Chief Clerk, House of Representatives.

House Bill No. 3.

The Chair laid before the Senate on its first reading the following bill:

By Mr. Reader:

H. B. No. 3, A bill to be entitled "An Act amending Section 2, Acts 1933, Regular Session of Forty-third Legislature, Page 409, Chapter 162, House Bill 154, as amended by Acts of 1933, Forty-third Legislature, First Called Session, Page 43, Chapter 12; increasing the tax on oil; allocating the revenue to the Public School Fund, and for the payment of Old Age Pensions; prescribing a savings clause, and declaring an emergency."

Read and referred to Committee on State affairs.

Motions to Recess.

Senator Cotten moved that the Senate recess until 10 o'clock a. m., Tuesday.

Senator Woodruff moved as a substitute that the Senate recess until 8 o'clock tonight.

Question was on motion of Senator Cotten to recess until 10 o'clock a. m. Tuesday.

The motion failed of adoption by the following vote:

Yeas—11.

| | |
|---------|-------------|
| Burns. | Poage. |
| Cotten. | Sanderford. |
| Hill. | Shivers. |
| Isbell. | Small. |
| Moore. | Sulak. |
| Pace. | |

Nays—16.

| | |
|-----------|-------------|
| Beck. | Nelson. |
| Blackert. | Rawlings. |
| Collie. | Redditt. |
| Davis. | Regan. |
| DeBerry. | Stone. |
| Holbrook. | Weinert. |
| Hornsby. | Westerfeld. |
| Neal. | Woodruff. |

Absent—Excused.

| | |
|---------|------------|
| Martin. | Van Zandt. |
| Oneal. | |

Question recurred on motion to recess until 8 o'clock tonight.

The motion prevailed by a viva voce vote.

After Recess.

The Chair, Senator Regan presiding, called the Senate to order at 8 o'clock p. m.

Pending business was H. B. No. 8.

Amendment No. 33.

By Senator Rawlings:

Amend H. B. No. 8, as engrossed Section 6 (a), to read as follows:

Sec. 6 (a). There is hereby levied and assessed a tax of fifty (50) cents on each Five Hundred Dollars (\$500) or fraction thereof, on all notes and obligations secured by chattel mortgage, deed of trust, mechanic's lien contract, vendor's lien, conditional sales contract and all instruments of a similar nature which are filed or recorded in the office of the county clerk under the registration laws of this State; provided that no tax shall be levied on instruments for an amount of Two Hundred (\$200) or less. After the effective date of this Act no instrument creating a lien of any sort to secure the payment of money, or reserving title to any property until the purchase price thereof shall have been paid, shall be filed or recorded by any county clerk in this State

until there has been affixed to such instrument Old Age Assistance stamps in accordance with the provisions of this section.

Read.

Pending.

Amendment No. 33-a.

Senator Oneal offered the following amendment to the Rawlings amendment:

By Senator Oneal:

Amend Section 6 (a) of H. B. No. 8, by striking out that part of the first sentence of the same the following:

"There is hereby levied and assessed a tax of fifty (50¢) cents on each Five Hundred (\$500.00) Dollars or fraction," and inserting in lieu thereof the following:

"There is hereby levied and assessed a tax of ten (10¢) cents on each One Hundred (\$100.00) Dollars or fraction thereof."

Amendment No. 34.

By Senator Moore:

Amend Oneal amendment by adding thereto "over the first \$200.00."

The amendment was adopted by the following vote:

Yeas—14.

| | |
|-----------|-------------|
| Beck. | Redditt. |
| Blackert. | Regan. |
| Burns. | Sanderford. |
| Holbrook. | Small. |
| Moore. | Stone. |
| Nelson. | Van Zandt. |
| Rawlings. | Weinert. |

Nays—14.

| | |
|----------|-------------|
| Collie. | Neal. |
| Cotten. | Oneal. |
| Davis. | Poage. |
| DeBerry. | Shivers. |
| Hill. | Sulak. |
| Hornsby. | Westerfeld. |
| Isbell. | Woodruff. |

Absent—Excused.

| | |
|---------|-------|
| Martin. | Pace. |
|---------|-------|

The Chair voted "yea."

The amendment as amended was adopted by the following vote:

Yeas—22.

| | |
|-----------|-------------|
| Beck. | Poage. |
| Blackert. | Rawlings. |
| Burns. | Regan. |
| Collie. | Sanderford. |
| Cotten. | Shivers. |
| DeBerry. | Small. |
| Hill. | Stone. |
| Isbell. | Sulak. |
| Moore. | Van Zandt. |
| Nelson. | Weinert. |
| Oneal. | Westerfeld. |

Nays—6.

| | |
|-----------|-----------|
| Davis. | Neal. |
| Holbrook. | Redditt. |
| Hornsby. | Woodruff. |

Absent—Excused.

| | |
|---------|-------|
| Martin. | Pace. |
|---------|-------|

Amendment No. 35.

Senator Van Zandt sent up the following substitute amendment:

By Senators Van Zandt and Davis:
Amend H. B. No. 8, by striking out Section "6 A" of the bill.

Motion to Table.

Senator Oneal moved to table the substitute amendment.

The motion prevailed by the following vote:

Yeas—18.

| | |
|----------|-------------|
| Beck. | Poage. |
| Burns. | Rawlings. |
| Collie. | Sanderford. |
| DeBerry. | Shivers. |
| Hill. | Stone. |
| Isbell. | Sulak. |
| Moore. | Weinert. |
| Nelson. | Westerfeld. |
| Oneal. | Woodruff. |

Nays—9.

| | |
|-----------|------------|
| Blackert. | Neal. |
| Cotten. | Redditt. |
| Davis. | Small. |
| Holbrook. | Van Zandt. |
| Hornsby. | |

Absent—Excused.

| | |
|---------|--------|
| Martin. | Regan. |
| Pace. | |

Question recurred on the adoption of the amendment as substituted.
Adopted by a viva voce vote.

Motion to Reconsider.

Senator Weinert moved to reconsider the vote by which Senator Hill's amendment was adopted.
The motion was seconded.

Point of Order.

Senator Sanderford raised the point of order that Senator Hill's time had expired.

The Chair sustained the point of order.

Motion to Extend Time.

Senator Poage moved that Senator Hill's time be extended.

The motion prevailed by the following vote:

Yeas—14.

| | |
|-----------|-------------|
| Beck. | Oneal. |
| Burns. | Poage. |
| Cotten. | Redditt. |
| Hill. | Sulak. |
| Holbrook. | Van Zandt. |
| Isbell. | Westerfeld. |
| Nelson. | Woodruff. |

Nays—11.

| | |
|-----------|-------------|
| Collie. | Sanderford. |
| Davis. | Shivers. |
| Hornsby. | Small. |
| Moore. | Stone. |
| Neal. | Weinert. |
| Rawlings. | |

Present—Not Voting.

DeBerry.

Absent—Excused.

| | |
|-----------|--------|
| Blackert. | Pace. |
| Martin. | Regan. |

The question was on the motion to reconsider the vote by which Senator Hill's amendment was adopted.

The motion prevailed by the following vote:

Yeas—15.

| | |
|-----------|-------------|
| Collie. | Redditt. |
| Davis. | Regan. |
| Hornsby. | Sanderford. |
| Isbell. | Shivers. |
| Moore. | Small. |
| Neal. | Stone. |
| Oneal. | Weinert. |
| Rawlings. | |

Nays—12.

| | |
|-----------|-------------|
| Beck. | Nelson. |
| Burns. | Poage. |
| Cotton. | Sulak. |
| DeBerry. | Van Zandt. |
| Hill. | Westerfeld. |
| Holbrook. | Woodruff. |

Absent—Excused.

| | |
|-----------|-------|
| Blackert. | Pace. |
| Martin. | |

Motion to Lay on Table.

Senator Stone moved that the Hill amendment be laid on table subject to call.

Senator Hill received unanimous consent to withdraw his amendment.

Motions to Recess.

Senator Sanderford at 10:10 o'clock p. m. moved that the Senate recess until 10 o'clock a. m. Tuesday.

Senator DeBerry offered as a substitute the motion to recess until 9:30 o'clock a. m. Tuesday.

Motion to recess until 10 o'clock a. m. prevailed by a viva voce vote.

APPENDIX.

Committee Report.

Committee Room,
Austin, Texas, Oct. 19, 1936.
Hon. Walter F. Woodul, President of Senate.

Sir: We, your Committee on Finance, to whom was referred

H. B. No. 37, A bill to be entitled "An Act authorizing the Old Age Assistance Commission to pay interest on warrants issued against the Texas Old Age Assistance Fund; making an appropriation therefor; restricting the total amount to be paid on account of any warrant issued for a given month; prescribing the powers and duties of certain State officials in reference thereto; prescribing the maximum rate of interest to be paid reappropriating for the purposes of this Act unexpended appropriations made for the biennium ending August 31, 1937; providing that the authority conferred in this Act shall not be limited by the provisions of Section 6 of Chapter 472, Acts of the Second Called Session of the Forty-fourth Legislature; making this Act cumulative of

other laws but providing that it shall take precedence over any law in conflict herewith, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, and be printed.

REDDITT, Chairman.

THIRTEENTH DAY.

(Continued.)

Senate Chamber,
Austin, Texas,
October 20, 1936.

The Senate met at 10 o'clock a. m., pursuant to recess, and was called to order by Lieutenant Governor Walter F. Woodul.

House Bill No. 8.

Pending business was H. B. No. 8.

Amendment No. 36.

By Senator Moore:

Amend by adding to Section 6: "This section shall not apply to notes, mortgages or obligations taken by the United States Government or any of its agencies while owned and held by the Government of the United States or any of such agencies."

Read and adopted.

Amendment No. 37.

By Senators Moore and Weinert:

Amend H. B. No. 8, Section 16, Subdivision (a), by striking out "One Dollar and Twenty Cents (\$1.20)," and inserting in lieu thereof "eighty cents."

The amendment failed of adoption by the following vote:

Yeas—12.

| | |
|-------------|------------|
| Blackert. | Shivers. |
| Isbell. | Small. |
| Moore. | Stone. |
| Rawlings. | Sulak. |
| Regan. | Van Zandt. |
| Sanderford. | Weinert. |

Nays—15.

| | |
|---------|----------|
| Beck. | Davis. |
| Burns. | DeBerry. |
| Collie. | Hill. |
| Cotton. | Hornsby. |